## **Alaska Telecom Association**

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April 24, 2018

Ms. Marlene Dortch Secretary Federal Communications Commission 445 12<sup>th</sup> Street, SW Room TW-A325 Washington, DC 20554

RE: Ex parte filing in WC Docket No. 16-271

Dear Ms. Dortch:

On April 18th the undersigned, joined by Dave Goggins, CEO of TelAlaska, and Doug Neal, CEO of OTZ Telephone Cooperative, met separately with Jesse Jachman, Suzanne Yellen, and Alexander Menard in the Wireline Competition Bureau, Matthew Warner, Matthew Collins, and Jonathan Lechter in the Wireless Telecommunications Bureau, Jay Schwartz, Legal Advisor to Chairman Pai, Amy Bender, Legal Advisor to Commissioner O'Rielly, Travis Litman, Legal Advisor to Commissioner Rosenworcel, and Jamie Susskind, Legal Advisor to Commissioner Carr, to discuss investments and obligations related to the Alaska Plan.

During the meeting Mr. Goggins and Mr. Neal discussed the ability of their respective companies to respond to obligations imposed by newly available terrestrial backhaul offered by Quintillion to their serving areas of Nome and Kotzebue. Although the Quintillion fiber is considered "new backhaul" under the Alaska Plan Order and related rules, it is currently not viable for TelAlaska to meet upgraded performance obligations related to the arrival of "new backhaul" using Quintillion services due to the cost. While details of cost are protected due to ongoing negotiations and non-disclosure agreements, it is currently clear that the cost is prohibitive and would result in spending clearly above the limits imposed on use of high cost funds. And although OTZ Telephone Cooperative has purchased backhaul from Quintillion, the cost prohibits meeting the reasonably comparable usage and pricing benchmarks as stated in the Alaska Plan Order. It is hoped that costs of the Quintillion service will decrease over time, allowing both companies to take advantage of the benefits of fiber connectivity in serving their communities.

Mr. Neal and Mr. Goggins also shared information regarding investment in both fixed and mobile broadband service which would not have been achievable without the Alaska Plan.

Respectfully submitted,

Via ECFS 4/24/2018

Christine O'Connor Executive Director

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<sup>&</sup>lt;sup>1</sup> See Alaska Plan Order at paragraph 52 for obligations resulting from availability of new backhaul.

<sup>&</sup>lt;sup>2</sup> Ibid.

cc: Jay Schwarz
Amy Bender
Travis Litman
Jamie Susskind
Alexander Menard
Suzanne Yellen
Jesse Jachman
Matthew Warner
Matthew Collins
Jonathan Lechter